

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2009–10

Melbourne — 21 May 2009

Members

Mr R. Dalla-Riva
Ms J. Huppert
Ms J. Munt
Mr W. Noonan
Ms S. Pennicuik

Mr G. Rich-Phillips
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Mr B. Stensholt
Dr W. Sykes
Mr K. Wells

Chair: Mr B. Stensholt
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Witnesses

Ms M. Morand, Minister for Children and Early Childhood Development,

Professor P. Dawkins, Secretary,

Mr T. Cook, Deputy Secretary, Office for Planning, Strategy and Coordination,

Ms J. Nagorcka, Acting Deputy Secretary, Office for Children and Early Childhood Development, and

Mr J. Miles, Acting Executive Director, Office for Resource and Infrastructure, Department of Education and Early Childhood Development.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2009–10 budget estimates for the portfolio of children and early childhood development. On behalf of the committee I welcome Ms Maxine Morand, Minister for Children and Early Childhood Development, and departmental officers. Members of the public and the media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or her chief of staff, can approach the table during the hearing. Members of the media also requested to observe the guidelines for recording proceedings in the Legislative Council committee room.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. There is no need for evidence to be sworn. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days. In accordance with past practice, the transcripts and PowerPoint presentations will be placed on the committee's website.

Following a presentation by the minister, committee members will ask questions relating to the budget estimates. Generally, the procedure followed will be that relating to questions in the Legislative Assembly.

I ask that all mobile telephones be turned off. I now call upon the minister to give a brief presentation of no more than 5 minutes on the more complex financial and performance information that relates to the budget estimates for the portfolio of Children and Early Childhood Development.

Ms MORAND — Thank you for the opportunity to give a brief background on the work that is under way in my portfolio.

Overheads shown.

Ms MORAND — The first slide is just recapping on a decade of investment in the early childhood sector, particularly in kindergartens where there has been an increased investment of around 188 per cent in kindergarten funding. That includes the introduction of a fee subsidy several years ago which has extended the fee subsidy from \$100 to \$750, which covers around 25 per cent of all kindergarten enrolments.

We have also introduced cluster management, which has been raised from \$4000 per location to now \$7200. Participation in kindergarten remains high. We have also funded \$43 million to children's centres.

My responsibilities also include a program for students with a disability and the Early Childhood Intervention Services, both of which have also received substantial increases in expenditure, with the PSD increasing by 112 per cent. We now have over 19 000 children across Victoria supported through this program. In Early Childhood Intervention Services, the government has committed \$60 million in 2009–10 to support about 12 000 children.

We have also been undertaking the construction of integrated children's centres across Victoria. We have opened 49 to date of a planned and funded 95 children's centres. That chart just illustrates the locations of the integrated children's centres and also the Best Start projects across Victoria. Best Start has been really successful in indicators, including increasing breastfeeding rates and maternal and child health participation. It has really been just developing a fantastic relationship between all the providers of early years services, which has made very tangible differences to children's outcomes, and disadvantaged children particularly.

With MCH, I wanted to show members this slide because it demonstrates that there has been an increase in the participation at the key age and stage visits for MCH visits. You can see the green line there. That represents the home visits, which has gone from 96 per cent in 2000 to 99 per cent participation in the last year for which we have data which is 2007–08. The blue lines indicates the 18-month visit, which has gone from 63 per cent of all babies to 71 per cent. The last one is the 3½-year check, which at only 50 per cent in 2000 was a particular target. A particular result of the Best Start partnerships has been to increase participation to 60 per cent. We are pleased with that but we would like to see it go even higher.

Last year I presented some information on the increase in the birth rate. I just want to update members on the fact that Victoria is still seeing a very, very dramatic increase in the birth rate. You can see that demonstrated there, that we have gone from 58 875 births in 1999 to 70 313 in 2007. This is the ABS data.

The next slide shows you how that compares to other jurisdictions, which is really interesting because you can see that over that 10-year period Victoria has had a 19.4 per cent increase in the number of babies born, and compare that to New South Wales which had only 3 per cent and Queensland had 32 per cent. So there is obviously a massive variation between states.

Ms MUNT — There are obviously no televisions in Queensland!

Ms MORAND — What is going on in Queensland? I don't know!

Dr SYKES — It is not to do with blackouts, or anything to do with blackouts?

Ms MORAND — No comment.

The CHAIR — No, it is the population increase.

Ms HUPPERT — That is an amazing statistic, isn't it?

Ms MORAND — But it is fascinating that there is a significant baby boom right across Australia, and particularly in Victoria and Queensland.

Just for your information as well, there is obviously a massive variation in where the increases are occurring and you can see there, particularly in north-west Victoria there has actually been no increase in birth notifications, and in some cases it has actually gone backwards. You can see there some of the rates are quite high. Corangamite, for example, had a 105 per cent increase, but we need to caution on interpreting that because it was actually based on a very small number. There were only 113 in 2000 and 232 in the last year.

Dr SYKES — Is that birth by place of residence of the person having the baby, or the hospital where the baby is born?

Ms MORAND — Residence. The next slide shows you in metropolitan Melbourne again there is obviously a very significant variation in geographical rates. Melton has had the largest increase, 128 per cent, which is an increase of 1000 babies over that time period. Casey had the largest number of birth notifications overall, with nearly 4000 being recorded, or a 41 per cent increase. Wyndham is also one of the areas of greatest increase, with 81 per cent; Greater Dandenong, 43 per cent; Whittlesea and Hume, 18 per cent and 19 per cent. Also in inner city Melbourne there is a particular increase in birth rate: Darebin, 23 per cent; Moreland, 20 per cent; and city of Caulfield, 23 per cent. That compares to an overall state-based increase of 15 per cent.

Also over the last 12 months, we have been doing a lot of work on reviewing the children's services regulations, which are due to expire. New regulations come into effect, in fact, on Monday. We have recommended, and will be announcing later today, what the new regulations will be. Broadly it is improved staff qualifications and ratios, and mandating first aid training and

a number of other things that will improve the quality and safety of all children in children's services across Victoria, and including for the first time — —

The CHAIR — You are always welcome to make a pre-announcement at our hearing, Minister.

Dr SYKES — Give us the scoop.

Ms MORAND — I will give you the scoop. It is that there is very little variation from the draft regulations. You can ask me later.

In this year's budget there was \$26 million overall for early childhood and \$13.6 million of that goes towards funding an additional 4000 places at kindergarten, which is obviously reflecting the increase in the number of children, as I have just been explaining to members, in the increased birth rate. This funding also ensures that the eligibility for free places remains, so the \$750 subsidy remains for all eligible low-income families, which is currently around 27 per cent of enrolments.

We have also invested some additional funds into enhancing disability services and \$5 million of that will be strengthening ECIS across Victoria and that is to improve the service system. A quality assurance framework will be developed, incorporating revised program standards and best practice guidelines for workers. This is actually really important because the program standards have been in place for more than a decade and it really does allow a new look at the way the programs are delivered based on today's best practice. We also provide practical assistance for boards of management and this has been welcomed by the sector.

Also \$4 million will provide a package of reforms for the 0 to 18 disability reform. This is going to include strengthening regional planning, which brings together all the area services for government and non-government schools and the disability services, to drive further reform at a very localised level. We are anticipating improved coordination and planning for children and young people with a developmental delay or disability. That will partly be achieved by a common approach to assessment, so that families do not have to repeat their information multiple times and duplicate the assessments. This is actually quite complex work but it is absolutely vital and something that families and providers have welcomed.

Then finally in this section, the \$4 million for autism support and \$2.3 million of that will be to provide 100 scholarships for teachers and student support officers in schools to undertake a graduate diploma in autism, and that will be over four years. Also there will be more specialist autism training and mentoring, and resources will be provided to support all of the early childhood workforce. It is being done by Professor Bruce Tonge at Monash University. There will be 500 additional places rolled out this year and that is building on last year's budget of 1000 extra places in ECIS.

And finally, we are working with the commonwealth government on national partnerships in early childhood education. That supports the delivery of 15 hours of kindergarten for all four-year old children, the year before school. This is a very substantial undertaking because it is essentially an increase of 50 per cent in the contact hours with children in the year before school. We also have a \$22 million partnership on indigenous early childhood development, improving outcomes for indigenous children.

In summary, we continue to deliver on our ambitious Victorian reform and also to be able to deliver on our reforms in partnership with the commonwealth government.

The CHAIR — Thank you very much for that. I might begin on that note and ask you what federal grants or funding, both output and asset, your portfolio department and various agencies, received in the budget. Can the department provide the committee with a list and description of these grants, and what accountability mechanisms, both upwards and downwards, are there in respect of these grants or funding?

Ms MORAND — The first one is a national partnership in early childhood education, which is \$210.6 million over the five years. That is to support the implementation of 15 hours of preschool for all Victorian children. In fact it is a partnership across Australia. The desire is to have all children in the year before school participating in 15 hours of kindergarten by 2013. This funding is adjusted essentially for equity across the jurisdictions from the start, and it will be working towards a per capita distribution at the end of the funding round. The funding increases quite substantially in the last few years of the national partnership so that we can deliver on the commitment.

The CHAIR — Where does the funding go?

Ms MORAND — The funding will go to the department, because to provide an extra 15 hours of kindergarten obviously means a 50 per cent increase in contact hours. A lot of the cost of that will be in employing additional teachers to provide the additional hours for the four-year-olds.

The CHAIR — It goes through into the funding which the department provides to the preschools and kindergartens at the moment?

Ms MORAND — That is right. We fund kindergarten places on a per capita basis, so the per capita grant would increase on the basis of providing additional hours for the children. We have until 2013 to implement that, and in the meantime there is some need to use that money for capital to provide for expanded spaces and for some kindergartens to perhaps deliver more than one four-year-old program, for example.

Also the partnership in indigenous early childhood development is \$22 million over six years. A large proportion of that will go towards the delivery of two child and family centres in Victoria. One will be in rural Victoria and one in metropolitan Melbourne, and a committee is being put together to determine the best location for those two centres.

The CHAIR — Regarding accountability mechanisms, I presume the department will advise us of what they are both upwards and downwards?

Ms MORAND — We are actually still in negotiation on the national partnership for the delivery of the 15 hours, so the performance agreements have not been agreed at this point. I do not know if the secretary will want to add anything to that, but the bilateral agreement on the 15 hours has not been signed at this stage.

The CHAIR — Professor Dawkins, have you anything to add?

Prof. DAWKINS — Yes. As the minister said, we are still negotiating it. There will be reports over a period of time which will be showing our progress towards the 15 hours. But the way in which that progress will be reported is still under negotiation.

The CHAIR — The committee would appreciate being kept informed of the accountability mechanisms as they develop, because we have always taken a strong interest in COAG and their various reforms which continue to go forward.

Mr WELLS — Minister, I refer you to the Cairnlea Community Hub in Brimbank City Council, which you opened on 1 July last year. In your press release you stated that the hub received \$800 000 in state government grants. These grants were welcomed by the then mayor, who has been named in the recent Ombudsman's report and was a member of the ruling council faction during 2006–07. It just seems to be incredibly coincidental — the exact time that the funding was received.

Ms MUNT — Here we go again.

The CHAIR — We need to deal with the forward estimates.

Mr WELLS — Yes, and I am getting to the forward estimates. Now, \$800 000 is an incredibly large sum of money, given that the majority of councils only receive up to about \$250 000. Can you explain how this Labor-dominated Brimbank Council received \$800 000 of state government funding for this new Cairnlea Community Hub when other councils received far less? What are the accountability mechanisms over the forward estimates for the funding of children's centres, or does it just depend on the number of Labor mates in that particular area?

Ms MUNT — So you actually do not care about disadvantaged children and support for them?

The CHAIR — The minister, to answer in respect of the forward estimates.

Ms MORAND — Cairnlea Community Hub is one of 49 integrated children's centres that have been opened across Victoria since we introduced the children's capital funding. As I said in my presentation, we are committed to funding 95 centres. Originally the grants were around \$250 000, but now there is up to \$500 000 available, as an indication of the size of the grants to councils. But there have been grants in excess of \$500 000, and one — I will get confirmation on this from Jeanette — was Wangaratta with \$750 000, for example. There are other examples where the grants have been in excess of \$500 000.

In addition, the grants for the growth corridors for integrated children's centres are \$1.2 million. So there is a range of different amounts that the children's centre capital grants contribute towards the integrated children's centres. They have been a fantastic success. They deliver wonderful early childhood services to families that need them, and there have been great outcomes for the children and the families where these centres have been constructed.

Mr WELLS — What is the accountability mechanism over the forward estimates?

The CHAIR — That is, how are these grants accounted for?

Ms MORAND — The distribution has already occurred. The grants go to the consortium, whether it is in partnership with the local government or with the community centre. I opened one in Churchill two weeks ago which had partnership with Monash University, the council and the state government.

The CHAIR — I think if you cannot give us the information now, then clearly grants are given out and there must be some sort of agreement which they have.

Mr WELLS — There must be some sort of accountability?

Ms MORAND — It is a contractual arrangement. There is a range of accountability requirements to ensure rigorous funding, and contractual arrangements are in place. Eligible organisations, local council or community organisations — as I said, this is essentially a one-off grant towards the capital construction of an integrated children's centre.

Mr WELLS — But in the accountability mechanism how do you determine which council gets what and how much the councils put in and how much the state government puts in? How do you work out that accountability mechanism?

Ms MORAND — That is on a case-by-case basis. We have a funding round that is advertised annually, and all councils are eligible to apply for that funding. They have to meet the criteria that we put in place, which is put in the advertising round. For example, they must provide a kindergarten, they must provide child care, they must incorporate a range of other services including maternal and child health, early childhood intervention — so they have to meet the criteria that are set, which are standardised across all applications.

Mr WELLS — Can you provide the paperwork for the details around the Brimbank City Council so we can have a look at it?

Ms MORAND — In terms of the application?

Mr WELLS — The criteria and how that was met.

Ms MORAND — How they met the criteria?

Mr WELLS — Yes.

Ms MORAND — Yes, we could do that.

Ms MUNT — Minister, last year we spoke about a program called the Young Readers program, and I was wondering if you could give me some follow-up information this year about how that program is progressing, and whether there is any funding for it in this year's budget under 'Early childhood education and care', budget paper 3, page 71?

Ms MORAND — I know you have got a particular interest in this program, Ms Munt. It has been a fantastic success. It was committed in the 2007–08 budget, with funding of \$2.1 million over four years, so there is funding in this year's budget to continue this program. Since the launch of the program we have delivered over 39 000 books to families at the two-year-old visit. Also at that visit parents receive tip sheets which highlight to parents the importance of early reading.

In addition at the end of last year we launched — actually in Prahran with the member for Prahran and his very young baby — what is called a rhyme-time booklet and DVD, which, again, is an invaluable resource for young families at that visit, at that young age, to remind parents that it is never too early to put a baby on your lap and read a book to them, and also to encourage parents to contact their local library. There is information in the kit that is given to parents about local library facilities, encouraging them to participate in the local library. It has been terrific. I do not know if you have visited your maternal and child health centres — —

Ms MUNT — I do.

The CHAIR — I do.

Ms MORAND — It has been a great success.

Ms MUNT — I visit even my local breastfeeding groups.

Mr DALLA-RIVA — Minister, I would like to refer you to budget paper 3, page 71. It relates to the performance measures for the kindergarten participation rate as one of the quality measures. In 2002–03 Victoria's kindergarten participation rate was 97.2 per cent. In 2007–08 the rate fell to 94 per cent. The target was set at 96 in 2008–09 with an expected outcome of 92, and the 92 per cent target is now stuck as the target into the forward estimates.

Over the past six years this government has allowed kindergarten participation rates to decline to a point where you only aspire to a 92 per cent participation rate, and I think this is particularly disappointing. Can the minister explain that consistent fall in the kindergarten participation rate and how this fits in with the government's 2006 election policy statement:

Victoria now has excellent kindergarten participation rates — averaging 95 per cent — but we can do better.

The CHAIR — I also refer the committee to note (h) on page 72 — —

Mr DALLA-RIVA — Yes, I saw that.

The CHAIR — It provides some indication about that. The minister, to clarify.

Ms MORAND — Yes. There are a couple of key points to make relating to kindergarten participation rates. I am a little bit surprised to get — actually, I am not surprised to get the

question from the opposition, but I would have to say you do not have a strong record in investment in kindergarten — —

Mr WELLS — Hang on, you said 95 per cent — —

The CHAIR — The minister, to answer the question.

Mr DALLA-RIVA — This is you: this is about you.

Mr WELLS — This is your responsibility, Minister.

Mr DALLA-RIVA — This is your failure. This has nothing to do with us. It's 97 per cent down to 92.

Mr WELLS — This is your responsibility.

Mr DALLA-RIVA — And you failed to live up to your election promise. So do not come at us. You are the one who has failed.

Ms MORAND — I am happy to answer the question if you give me the opportunity to answer it.

Mr WELLS — There is always an excuse, to blame somebody else.

The CHAIR — Minister, ignore the interjections. They are not to be taken any notice of.

Ms MORAND — I will try to explain — —

Mr WELLS — But when you are going along some sort of line — —

The CHAIR — Just answer the question, please. And I ask committee members to control themselves, as I have asked them in the past.

Ms MORAND — I will try to explain it so that members can understand how we have come to the calculation of 92 per cent. First of all, participation rates are reported publicly in two different ways. That is the proportion of four-year-olds participating in kindergarten as reported in *Growing Victoria Together* and also the budget paper measures, as just referred to by the member.

There is also the proportion of children using kindergarten the year before school calculated by the Productivity Commission and reported in its annual report on government services. For the Victorian GVT and the budget paper measures the proportion of four-year-olds participating in kindergarten was 92.4 per cent for 2008 and in the report on government services it was 95.8 per cent. One was for a calendar year and one was for a financial year.

Essentially we do have a very rigorous methodology for calculating the kindergarten participation rate for four-year-old children in both measures. The methodology was established following consultation with the ABS and also DPCD. What it does is calculate participation on a proportion of the estimated population. So we know the number of children participating in kindergarten, but we do not know precisely the number of four-year-olds there are in Victoria in the year that we are measuring — say, in this year.

What the ABS does is provide us with their best estimate of the populations. How they do it is calculate it each year using the latest available population estimates from the ABS. The ABS has established a process for ensuring that the population estimates are the most accurate available, and this involves the annual figure being revised following the five-yearly census of population and housing.

In 2008 the ABS revised the population results for 2002–2006 — so it is the final set of population estimates for that period. Essentially what that means is that children were undercounted, and that population figure has now been revised. That population included the four-year-old population group. There were actually more four-year-old children than were estimated in previous ABS figures.

We have to rely on the Australian Bureau of Statistics to provide us with information on the number of children in Victoria. They review it annually and at the end of the five years, they give a final estimation of the population estimates for that period. That was last year. The participation rate that we now have is based on that latest information. Despite the fact that the participation rate in previous budget years was higher than it is now being reported, we estimate that, based on the new information from the ABS, the participation rate was actually lower than what was reported. We do our best in terms of the information that is provided to us by the ABS. We are providing information based on that. We estimate that there is a 92 per cent participation rate based on this current information.

Mr NOONAN — I also wanted to ask about the participation rate in kindergarten but specifically what the government is doing to increase participation of children from a disadvantaged background as part of this budget process.

Ms MORAND — Thanks for that question because it is something that is very important to the department, because, with the student participation rate what is, it is often the children who can benefit most from participation who are not able to participate in that kindergarten year. We believe that it is an incredibly important year in preparing a child for school. There is plenty of empirical research that backs up what is intuitive, that kindergarten is important. Therefore, we have a range of different ways that we are trying to increase the participation.

One of them is through ensuring that cost is not a barrier, so the fee subsidy was increased to \$750, which are the average fees in Victoria. That means that for 27 per cent of families, children attending kindergarten can access it free, effectively. The subsidy is paid by the government. We have also expanded that to include three and four-year-old indigenous children, so that the qualification does not have to be a health care card holder. All indigenous four-year-olds and three-year-olds are now eligible to participate.

The other key issue in participation is a lot of children are now spending more time in long day care than ever before and a lot of children are starting school having spent a long period of time of their life in long day care. We are funding qualification upgrades for people working in long day care, so that there are more staff working in long day care who have the early childhood qualification and are therefore able to deliver a kindergarten program.

Also, as I mentioned, the Best Start project is working in 30 sites across Victoria, making sure that the most disadvantaged families, the most vulnerable families, are aware of the kindergarten program, are aware of the importance of the program and are provided with information on participating. We have had some success, for example, in Geelong in the Rosewall kindergarten, in getting the children to kindergarten through the Best Start partnership, working with the Geelong city council. We have been able to have a new kindergarten model which includes long day care. That makes it more flexible for the families, and the participation rate is also improved as a result of that. This kindergarten, called Rosewall, operates two long day sessions a week. It also, for example, provides meals, sponsored by Shell.

There is a range of different ways that local communities can improve the services in their local communities to help parents be able to get their children to participate in kindergarten. We would like the participation rate to increase, and we are working hard to make sure that the most disadvantaged families get access to kindergarten.

Mr NOONAN — That \$750 that you referred to, has that been increased?

Ms MORAND — It is increased by the CPI.

Dr SYKES — Minister, I refer you to budget paper 3, page 27, where there is an allocation of \$14 million to ensure sufficient kindergarten places are funded to meet the recent growth in birth rate, which you have already highlighted. If you then go to page 306 of budget paper 3, there is no provision of funding beyond 2009–10 in this line item. It is the top item there. As I interpret ‘Meeting Increased Demand for Kindergarten Enrolments’, it is \$8 million in 2008–09 and \$5.7 million in 2009–10. Footnote (g) on page 72 says that ‘The 2009–10 target (refers to the 2009 calendar year)’. Given that you have indicated in the slide presentation there is increased birth rates, and given that on page 67 of budget paper 3 you link increased birth rates with a growing expectation of increased demand on quality childhood services, I ask the question: why is there not any provision in the budget for additional kindergarten places in the 2010 school year, which commences before this budget has concluded? How do you intend to make that allocation?

The CHAIR — I might add that footnote (d) refers to another program, but in relation to kindergarten places, Minister.

Ms MORAND — This year’s budget allocation of \$13.6 million for the extra 4000 places is for the second half of this calendar year and the first half of the next calendar year, which is the budget year. In the meantime we are working with Treasury on a new funding model, so that it might be just purely based on enrolment-based funding. This is essentially just work that is done between the department and Treasury on how we might come up with a new funding model. With schools and the student base, for example, the Minister for Education does not need to go back to argue for more numbers of children in schools, because it is just based on a student enrolment model. Essentially, every child who attends kindergarten in Victoria will be funded, so it is not capped. But we are working with Treasury so there is an ongoing funding based on the population. That is why we have only put it in for that period.

Dr SYKES — When would you expect that funding model to become public?

Ms MORAND — Before the next budget.

Dr SYKES — And the need arises in the period of this budget, does it not, or have I got that wrong?

Ms MORAND — No, because the funding for the two financial years is this year plus the start of the next calendar year. It is paid monthly, the per capita funding to each kindergarten.

Dr SYKES — The funding is covered for the complete financial year, which includes the first half of next calendar year, and the next budget, the 2010–11 budget, will reflect a new funding formula arrangement?

Ms MORAND — That is what we are anticipating, yes.

The CHAIR — And the money in the budget reflects the second half of the next calendar year as well, because it is a two — —

Ms MORAND — No, because the funding is for the first half of the next calendar year. Kinders run on a calendar year, so there is funding until the next budget, basically. That is when we are getting a new funding model in place. There is no cap.

Dr SYKES — So my grandkids are okay. They will be looked after?

Ms MORAND — So any child who enrolls this year in kindergarten will be funded.

The CHAIR — That is why you got \$8 million and the other \$5.6 million next year.

Ms MORAND — That is right, yes.

The CHAIR — Thank you very much for that.

Ms HUPPERT — Minister, again a question that relates to the increase in the birth rates that you referred to in your presentation. Obviously this is going to put some pressure on the maternal and child health services. Could you please outline for the committee the initiatives to boost those services that are included in this budget? I note that in budget paper 3 on page 71 one of your performance measures relates to the number of children enrolled at maternal and health child services from birth notifications, so clearly there is a very high percentage in your performance outcomes.

Ms MORAND — Maternal and child health services are really much-loved services to Victorian parents — mums. They are extremely highly qualified people who provide just a fantastic support to both the mother and the baby. There are nearly 900 nurses in about 700 centres across Victoria. In this budget we will continue increasing the investment we put into maternal and child health services, based on the funding boost of nearly \$55 million in the last year's budget. The budget this year will be \$50.5 million, which is an increase of 145 per cent since 1999.

The expansion of maternal and child health services also includes the increase in the number of families that can access the enhanced service. We are going to increase that from 7 per cent to 10 per cent. The enhanced service provides an extra 15 to 17 hours of support for the families that are most vulnerable. There are lots and lots of examples of the sorts of families that are eligible for the enhanced service, but one that I heard of recently was a newly arrived mother for whom English was her second language — in fact her English was almost non-existent. She had triplets, and her partner was overseas. That is the sort of example where maternal and child health nurses can just do so much. I think she was in Dandenong — I cannot remember. There was access to things like immunisation, giving her information about what services are available, assisting with family day care, advocacy for housing services and material aid for clothing and things like that. I think she even drove her to Centrelink to help her work out how to get access to payments. All of those around the table who have had just one young baby can imagine how difficult it would be to have triplets and not be able to communicate in your first language.

Dr SYKES — It's pretty easy!

Ms HUPPERT — Easy for you!

Ms MORAND — I can see the member for Williamstown, who has a young baby at home, nodding his head.

The CHAIR — The minister, to respond. We can leave the family stories until after.

Ms MORAND — We have also increased the funding for the Maternal and Child Health Line, which is now taking many more calls than it did in the past 10 years, with about 75 000 calls a year. We are also going to expand the service that is available for interpreting. There is a really significant boost broadly in the investment in maternal and child health services. I also forgot to mention that that also includes an increase in the unit price, which has been agreed to by the state and local governments, because of course it is a shared delivery of service. It is delivered by local government, and there is shared funding by local government and the state government.

Ms PENNICUIK — Minister, according to the court-appointed receivers overseeing the collapse of ABC child-care centres, at 11 May there were six in Victoria that were expected to close — at Altona North, Berwick North, East Melbourne, Seaford South, St Albans central and Sunbury South — and there are four essential centres with no operator yet to come forward, at Barnawartha, Broadford, Sale central and Trafalgar. I was just looking at your charts that you put up on the screen showing the birth rate increases. Some of those are located in or near those areas where there is an increased birth rate. I am wondering what your department is doing in terms of

perhaps working with local government or the not-for-profit sector to ensure those centres do not close?

Ms MORAND — Essentially, the provision of child care is fundamentally funded by the commonwealth government, but we have been working really closely with the department since the collapse of ABC. In total, there has been only a very small number of centres that have actually closed in Victoria. Where they have closed, the families have been offered places at another, nearby child-care centre. As you identified, there are four centres where there have not been new owners found, and the commonwealth has agreed to continue to fund them until I think the end of June, in an effort to — —

Ms PENNICUIK — Which is not very long from now.

Ms MORAND — It is very close. It is to try to ensure that there is a solution available for those families because in those cases, I understand they are the only child-care services in the towns. The commonwealth are aware of that, and they have extended the funding and are trying to work on finding other options for child care. We will not know until basically the work has been done with the receivers on finding whether there is any interest in continuing to provide those services by any other operators.

Mr SCOTT — Minister, I refer you to pages 287 and 302 of budget paper 3, where there is reference to the national partnership on indigenous early childhood development, and I ask: what is the government doing to increase the number of indigenous childhood accessing kindergarten services? I know you made reference briefly to that issue when you were up against a question from Mr Noonan.

Ms MORAND — The participation of indigenous children is a really high priority for the government. Historically, participation of indigenous children in kindergarten has been lower than for non-indigenous children, particularly in some communities. We know, as I have just expressed in answering an earlier question, how important that participation is to the long-term outcomes for children in all sorts of measures.

We have funded free kindergarten for four-year-old indigenous children. We have just extended that to three-year-old indigenous children as well, because by getting children in at the three-year-old kindergarten, we obviously improve the chances of a child continuing into a kindergarten program in the following year and therefore having a more successful transition to school.

I would like to give you an example. I visited Bairnsdale a few weeks ago and saw a fantastic program being delivered there. In 2007 at this particular preschool only an estimated 12 per cent of indigenous children were participating in a kindergarten program in the year before school. Together it has worked with the local indigenous community and the provider, Kilmany UnitingCare, which is cluster manager down there, and has done a fantastic job of increasing the participation of indigenous children and making sure that indigenous families understand that participation is free.

One example of how they have improved participation is that they have organised a bus which actually goes and picks up the children and takes them to the centre for the program. This is also for the three-year-old children. It has been a fantastic success and we are hoping that through the provision of free kindergarten for three-year-olds and four-year-olds, we will see a further increase in participation of indigenous children.

Mr RICH-PHILLIPS — Can I go back to the maternal and child health issue and the reference on page 71 of budget paper 3 to the performance measure, 'Maternal and child health clients with children aged 0 to 1 years receiving enhanced maternal and child health services'.

You spoke about the increased access to the enhanced service this year, but I note that the actual outcome for 2007–08 was 12.6 per cent of families receiving the enhanced service, and you expect the outcome for the current year to fall to 7 per cent, which is roughly a halving of the number of families receiving the enhanced service. My question is: why do you expect this year the number of families to have roughly halved compared to last year? You noted and the footnote refers to the Healthier Mothers and Babies initiative which provides increased access, but your new target of 10 per cent is still lower than your actual outcome for last year, which was 12 per cent. Why is that?

Ms MORAND — We have increased it from the 7 per cent target that we had in the last financial year to a 10 per cent target for this year. We are anticipating an increase. The actual participation rate is terrific. It is a great outcome that the actual participation rate was 12.6 per cent.

Mr RICH-PHILLIPS — But then it has fallen to 7 per cent for the current year.

Ms MORAND — Our funding target for maternal services is 10 per cent of families. Our target is 10 per cent, but it may exceed that as it did last year. That is the component of the entire funding that we specifically allocate to the enhanced service — it is a target of 10 per cent of the increased funding.

Mr RICH-PHILLIPS — But how come you have had a decline from last year in actual outcome to this year in actual outcome?

Ms NAGORCKA — One of the issues about the enhanced maternal and child health services is that they are intended to be for the most vulnerable families. When that program was first introduced, that was quite a change in culture for the nurses who are originally used to that universal provision, which was brief contacts with most families.

One of the things we have worked very hard on is making sure that the intensity of the service is there for the families who need it most. The target has increased to be 10 per cent of the total population — a bigger number. We do not necessarily aspire to have very large numbers of families serviced by that, but it is most particularly about the right families and making sure that they get an adequately intensive service.

There is some overperformance in that particular year that you referred to and that is balanced with the fact that we do not actually want the nurses to be pushing that number right up — by definition, the funding we provide is for a set number of cases — because that means they are seeing more people for less time. The intention is to provide an intensive service for families like the one the minister referred to with the triplets or one that might be known to child protection. That is what has been happening over time — making sure that that intensive response is there for what was 7 per cent of a smaller number and is now 10 per cent of a larger number of the population.

Mr RICH-PHILLIPS — So in actual outcomes, there have been effectively fewer needy families this year than last year?

Ms MORAND — This is the expected outcome — the 7 per cent — but we have not got the actual outcome. We are happy to report back to you.

Mr RICH-PHILLIPS — Presumably it is based on an estimate?

Ms MORAND — It is based on the current financial year.

Mr RICH-PHILLIPS — Presumably it is a reasonable estimate of — —

Ms MORAND — It is based on the target, which was 7 per cent.

Mr RICH-PHILLIPS — So you actually have not assessed 2008–09?

Ms MORAND — The year is not finished yet. I am happy to report back to the committee on the actual figures — —

Mr RICH-PHILLIPS — It would have been three-quarters finished when you put the budget together, so this is really — —

Ms MORAND — But the way we put the budget papers together is that we put the expected outcome based on the target. We are happy to report back to the committee on the actual outcome when we get it. The data is in arrears. The data will come in. In fact, it will continue to come in after the end of this financial year for some time until we fully collate the number of families out of all the families which receive maternal and child health. The number of families accessing MCH services is increasing, as I demonstrated in my presentation. The number of individual contacts has increased substantially and, out of that, our target of 7 per cent, which is now 10 per cent for the next year; we will report back to the committee on what the actual outcome was.

The CHAIR — Can I make a comment on behalf of the committee, that perhaps next rather than just putting down the target as the expected outcome — I know it is May — but perhaps the department could make an effort to have a closer estimation to the expected outcome rather than just simply putting that down.

Prof. DAWKINS — We will look into that, Chair.

The CHAIR — We might make that a commentary right across the board because budget papers are meant to try and be predictive rather than just be automatic.

Ms MORAND — We will do our best, Chair.

The CHAIR — I understand that.

Ms MORAND — But there is no centralised IT system for maternal and child health services across Victoria, so we rely on getting information from local government. We have to get the information from local government.

The CHAIR — I know it is a very distributed service.

Ms MORAND — Seventy-nine councils and another 700 locations where the services are delivered, so we will do our best.

Ms MUNT — There is an increase in demand for integrated children's centres because they are good centres and fabulous for families, and I know there is a focus on the delivery of those centres. Is there any funding provided in the budget for delivery of those integrated children's centres?

Ms MORAND — Yes. We are continuing the investment. There is over \$43 million to be invested in those 95 centres. As I said, we have opened 49 and there are 20 centres that are in planning or construction, and there is still funding for the remaining centres over the next 18 months. We have really established a strong partnership, particularly with local government.

Victoria is very fortunate in the relationship that we do have with local government, which is in other states not as strong, and the partnership has been a great success in terms of delivering outcomes. I know there is one in the member for Benalla's electorate at Violet Town. There was one opened there about a year ago, and the partnership means that we combine the capital from the local government and from the state government, and sometimes other providers as well — as I said, in Churchill last week, Monash University also contributed funding to that centre.

In terms of expanding the number of services provided, because it is a partnership with the delivery of services as well, at Violet Town, from memory, it was a kindergarten and maternal and child and health services which both local government and state government are very closely involved in ensuring the delivery of high-quality services. We still anticipate strong interest in the next funding round, and in fact by next month I will be making announcements of the successful outcomes of the latest round of grants.

In addition to that, because the commonwealth has also allocated funds for children's centres, we have been able to combine funding with the commonwealth government, local government and state government as well, so there have been some really terrific outcomes in delivering integrated children's services.

The centre that I opened with Peter Batchelor in Churchill a few weeks ago combined a kindergarten, long day care, maternal and child health, a library and a neighbourhood house — all under the one roof.

That was in Churchill near the university, and it was really another example of a great partnership, and I think that has been a real flow-on success. Having these grants means that we have been able to work more closely with local government, and in the growth corridors particularly because of the demand on the number of kindergarten places and so many babies, and delivering maternal and child health services, it has been a great way of making sure that services are delivered to the families where they need it.

Ms PENNICUIK — Minister, can I take you to page 81 of budget paper 3. This is a subject that you and I have had some discussions on over the years. In the third paragraph it says:

Students funded under the disabilities program in government schools as a proportion of the total student population.

Is that 3 per cent? The ABS figures suggest that the total proportion of students with a disability is higher — maybe around 9 per cent. Given that VCAT found against the department and called for a review of the program for students with disabilities, why is that remaining at 3 per cent?

Where does the 3 per cent figure come from when it appears that the number of students with a disability requiring assistance in schools is actually higher than 3 per cent?

Ms MORAND — In this current year we are going to invest over \$400 million in the primary area of students with a disability, and that represents more than double the investment we have made in this program since 1999 — a really substantial increase in investment in this program. Funding for the program has included a component of 4 per cent growth in the program since the review of the program.

We are supporting in this year, from the latest information I have got on the number of children participating, 8422 students attending one of the 80 specialist schools and 10 000 students attending mainstream and primary schools, so that is out of a total of over 19 000 students; that is the balance of about 40 per cent in special schools and the remaining students attend primary and secondary mainstream schools.

The growth is funded in the budget. We are expecting 4 per cent growth per annum, and that will continue to be funded. This program, in terms of the VCAT decision, it did say that the program for students with a disability is an appropriate means of delivering support to students with disabilities, and that is the objective statewide criteria in assessing the eligibility for the program. Eligibility criteria is based on an international standard developed by the World Health Organisation, so it is not something the department has created itself. It is something that we use — internationally recognised eligibility assessments. The tribunal found that many aspects of the department's provision of services to Rebekah Turner were suitable, while others could be improved upon.

Ms PENNICUIK — That was not really my question. I understand all that. I see that there is the autism plan and increases in spending. My question is: why is the output measure not the percentage of students with a disability being assisted 95 per cent or 100 per cent, rather than 3 per cent of the population of students, when we know that the population of students who need it is higher than 3 per cent? I just do not understand where the department gets this 3 per cent figure. That is the crux of my question.

Ms MORAND — I repeat again my answer, that we have really substantially increased the investment in this program; we have doubled the funding of the program for students with a disability. We are undertaking a major project at the moment. The ministerial advisory committee, which reports to me, and a number of experts we have asked to be involved in that committee are developing a new eligibility assessment called the abilities index. That is a very complex piece of work and it will not be completed in time for the next school year. We are constantly reviewing the way that we are providing services, and there are 19 000 children being supported across Victoria in this program with a very, very substantial investment in supporting them.

The CHAIR — Thank you, Minister. I thank Professor Dawkins, Mr Cook, Ms Nagorcka and Mr Miles for their attendance.

Witnesses withdrew.